

SERVICE DATE – LATE RELEASE MAY 19, 2011

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 384 (Sub-No. 3X)

DELTA SOUTHERN RAILROAD, INC.–ABANDONMENT EXEMPTION–IN DESHA AND
CHICOT COUNTIES, ARK.

IN THE MATTER OF AN OFFER OF FINANCIAL ASSISTANCE

Decided: May 19, 2011

By decision served on March 25, 2011, the Board, under 49 U.S.C. § 10502, exempted from the prior approval requirements of 49 U.S.C. § 10903 the abandonment by Delta Southern Railroad, Inc. (DSR), of a 24.1-mile line of railroad between milepost 408.9 at or near McGehee and milepost 433.0 at or near Lake Village, in Desha and Chicot Counties, Ark., subject to environmental and standard employee protective conditions. The decision authorizing abandonment and discontinuance was scheduled to become effective on April 24, 2011, unless an offer of financial assistance (OFA) was filed on or before April 4, 2011.

On April 4, 2011, Lake Providence Port Commission (Port Commission) and Arkansas Shortline Railroads, Inc. (ASR), as guarantor for its wholly owned subsidiary, North Louisiana & Arkansas Railroad, Inc. (NLA), a newly formed noncarrier (collectively, Offerors), jointly filed a timely OFA under 49 U.S.C. § 10904 and 49 C.F.R. § 1152.27 to purchase the entire line for \$778,791. By decision served on April 8, 2011, the Offerors were found to be financially responsible, and the effective date of the exemption was postponed to permit the OFA process to proceed.

By letter filed on May 3, 2011, the Offerors notified the Board that they have reached an agreement with DSR to acquire the line. They request that the Board approve the transfer of the line to the Offerors and the operation of the line by NLA.¹

When a carrier and a person offering to purchase a line under the OFA process enter into an agreement for continued rail service, the Board is required to approve the transaction and

¹ The parties state that they are finalizing the agreement under which the line will be purchased at \$35,000 per mile, for a total of \$843,500 for the entire line.

dismiss the petition for exemption. See 49 U.S.C. § 10904 and 49 C.F.R. § 1152.27(f)(2). Accordingly, the sale will be approved, and the petition for exemption will be dismissed.²

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. § 10904 and 49 C.F.R. § 1152.27(f)(2), the Offerors are authorized to acquire the line, and NLA is authorized to operate the line.

2. Under 49 U.S.C. § 10904 and 49 C.F.R. § 1152.27(f)(2), the petition for exemption is dismissed, effective on the date the sale is consummated.

3. This decision is effective on its service date.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

² The March 25, 2011 decision also imposed a U.S. Fish and Wildlife Service environmental condition on the abandonment. Because the line is being sold under the OFA procedures, the dismissal of the petition for exemption will render the environmental condition moot.